

LR 314

EXISTING FUNDING RESOURCES

Work Group # 2

Lee Orton, Executive Director, Nebraska State Irrigation Association, Chair

2011-12

TABLE OF CONTENTS

Initial Meeting Notes

LR 314 Briefing for Natural Resources Committee, October 7, 2011

Report:

Non-Profit Spending

Spreadsheets:

Federal Funding for Municipal Water Supplies

Nebraska Environmental Trust Water Projects, 2008-11

Nebraska Dept of Natural Resources, 2003-12

Meeting of “Existing Funding Resources” Work Group- LR314 Study, July 26, 2011

Work Group Members Attending: Lee Orton, Mike Allen, Mark Brohman, Butch Koehlmoos, Jasper Fanning

Members Absent: Marian Langan, Karen O’Connor

Others Attending: Loran Schmit, Bob Bettger

Legislative Staff: Nanette Hessee

The group reviewed each of the proffered questions; agreed to add additional thoughts after the notes of the meeting were circulated; members volunteered or were requested to attend to specific issues in the area of their interests; submit information gathered to both Nanette Hessee and Lee Orton. These notes were to be prepared and distributed by July 29 and responses returned by August 5.

Question a: How do each of the following groups pay for the water it uses? Surface water users, groundwater users, agriculture, commercial/industry, municipalities, public power, recreation, conservation, rural uses, urban users? It was the consensus of the participants that “water” itself is not paid for directly in any Nebraska setting. Revenues generated in relation to water supplies is in all instance “indirect” and may be the result of general ad valorem taxes, user fees, capital infrastructure investment, power revenues, federal conservation funds, federal and state recreation funds and other such revenues. Inventory of any and all such fund sources will be researched by Work Group members.

Question b: What are current NRD projects and how are they being paid for? An inventory of any such project activities will be gathered by Koehlmoos and Fanning. Other work group assignments may overlap this answer and should be coordinated with them.

Question c: What federal funding for water comes to Nebraska? Categories and fund sources for federal assistance were reviewed and the list included federal block group funds for sewer and water infrastructure, agency sources such as USGS, USDA, EPA, Corps of Engineers, Bureau of Reclamation, Fish and Wildlife Service. Others may be added after Work Group review. Group Member Langan will be expected to concentrate of conservation and environmental programs sources. Group Member O’Connor will be expected to concentrate of municipal fund sources. All Group members will review and supplement the initial list.

Question d: What does the state pay for, and where does that money come from? Agency sources mentioned included Department of Natural Resources, University of Nebraska, Game and Parks Commission. Group members will review and add additional resources and Bob Bettger will attend to information sources within DNR.

Question e: What are Nebraska’s taxes on water? Acknowledging the “indirect” nature of revenues generated around water use, the group listed occupation taxes, reclamation district ad valorem taxes and natural resources districts taxes.

Question f: What funding comes from local government? See discussion regarding Question e.

Question g: What funding does the Nebraska Environmental Trust provide? Group Member Mark Brohman provided a list of funded projects of the NET for the years 2008-2009-2010 and 2011. That list will be added to the inventory of data gathered by the Work Group.

Question h: Are there other non-governmental entities that provide water funding? The Work Group discussed private resources currently invested in water resources projects and programs, noting that most private sources are directed to research and non structural investments. Private sources fund nearly all ground water irrigation infrastructure and manufacturers or suppliers of goods and services included such organizations and all pivot manufacturers, John Deere, Monsanto and others. Group Member Mike Allen agreed to concentrate on this issue with inputs from other Member reviews.

Orton distributed copies of “A Study of Resources Development Financing for Nebraska” for review and use as relevant. The Study was produced by the NARD in 1984 and includes a narrative discussion of most local, state and federal funding sources available at that time. The data and information may be of some use in assembling information for this Work Group’s report.

It was agreed that the Work Group members would review and respond to these initial meeting notes by August 5 and that further work assignments would be developed from that initial response. The Work Group will submit all work efforts to Nanette and Lee and the Group agreed that most interim work would be done by electronic communications. A contact list of the Work Group and other interested persons would be assembled by Nanette. Another “face to face” session may be planned for mid September depending of Work Group progress and the need to discuss inputs of data assembled for a final submission to the Chairman of the Natural Resources Committee.

Nanette will see that all Work Group members receive the contact information and that the work product of the Work Group is circulated to members and others interested in the Work Group progress.

Notes prepared by Lee Orton.

Work Group 2, LR314 Investigations Report

Friday, October 7, 2011

Work group members: Lee Orton, Coordinator. Mike Allen, Mark Brohman, Marian Langan, Karen O'Connor, Butch Koelmoos, Jasper Fanning, Loren Schmit, Bob Bettger

- Existing funding resources was interpreted by the work group as a review of funding authorities and options of the several local government units, the state and federal sources.
- Question: “how do each of the user groups pay for the water used?” Answer: water itself is not the resource for which payment is made. Rather the payment is made for the infrastructure developed to make some use of water accessibility or to repel or deliver water. So the cost of water is paid indirectly. Payments are made by water resources beneficiaries through taxes [generally property taxes locally and state taxes on sales and income from state and federal general taxes], user fees or assessments, utility revenues [water, waste water, power generation, facility entry fees, occupation taxes [or like revenues], and extensive private capital investment. Other revenue sources are also used in limited opportunities such as lottery revenues dedicated to environmental project works through the Nebraska Environmental Trust. Private capital probably accounts for the majority of non domestic water investments in Nebraska and is not easily identified in sum total.
- NOTE: the data gathered by our work group will include details about local government funding authorities; state funding authorities; federal program funding authorities; and, a recent historical review of funding from the Nebraska Environmental Trust. Copies of that data have been submitted already and copies of a spread sheet review of local water resources capital authorities and federal water resources programs will be provided to you later this morning.
- Historical Review of Water Resources Funding Opportunities: probably numerous investigations by water resources agencies; legislative studies; Governor led investigations and others not noted or recorded in detail.
- Historical Review elements:
 - The Trelease Report commissioned by Governor Norbert Tiemann dated January, 1969 [studied reorganizing resources agencies; but included some limited acknowledgment of the need for more adequate funding for water resources. No action on any recommendations ever taken.
 - The State Water Plan publication entitled “Funding Nebraska’s Future Natural Resources Development” published in December, 1972. That report noted the critical need for substantial state investment in water resources projects. The report set out options for funding, limitations upon state funding opportunities and recommendations. Resulted in the adoption of the Resources Development Fund; but the recommendations for significant funding and changes in laws and constitutional restrictions was never pursued.
 - A special study led by the Nebraska Association of Resources Districts involving NRD officials, state legislators, Investment banking leaders, engineers, legal scholars, and state administrative leaders was published in August, 1983. Titled “A Study of Resources Development Financing for Nebraska”. Reviewed existing financing authorities for all Nebraska local governments, the state and then existing federal resources. Made numerous recommendations. Few if any adopted. [This report will be provided to the Committee for background; and since it includes numerous recommendations, many of which may still be appropriate for consideration, can

- become a part of the next phase of Committee considerations.]
- Governor's Water Policy Task Force report and legislation developed by consensus of the Task Force group. Resulted in LB962, which when introduced clearly reported that adequate funding for water resources management was still unaddressed and made no funding recommendations .

The Existing Funding Resources Work Group task has been different and perhaps easier than that of other work groups in this project. We have generally tried to identify the laws upon which existing water resources program activity has been supported.

- Generally local, state and federal funding is available and widely utilized to support domestic water resources program needs. Water for human consumption and related domestic services is essential and finding the necessary funding to develop the infrastructure to facilitate those needs into reality is always going to occur. It may be fiscally painful; but it happens. The State has generally given the local governments responsible for domestic water needs the statutory authority to fund essential development. The state and the federal government has also generally supported those endeavors with funding assistance as well.
 - Other more economic, esthetic or environmentally driven needs for water development find the essential financial support more difficult. Reliance upon federal funding is extensive; or nonexistent. Local funding authority is limited and in some instances prohibited. State funding has never been widely advanced.
- Our work group background investigations, the past reports and recommendations outlined in my comments, and the needs driven reports of other work groups will assist our efforts at the next level of investigation for this LR314 project. Historical recommendations for action are generally still timely; but without the impetus to proceed. Our work group stands ready to participate in the next level of work.
 - Thank you for your interest, your attention, and your support of this enterprise.

Non-Profit Spending

Audubon 400K approx. spent annually
on Platte River work, raised privately

Nature Conservancy 400K approx. spent annually on Platte & Missouri Rivers
work, raised privately

Ducks Unlimited 1.6M approx. 6 yr. avg. annually spent on wetlands through
NAWCA grants (he thinks it is all the Nebr NAWCA funds)

Groundwater Foundation 200K approx. spent annually on groundwater education
in Nebraska

Crane Trust Their budget doesn't break out this way and they couldn't
pull together anything on this time line (my fault)

Platte Valley Weed Mgmt. Area I believe funding will be captured in the other gov./etc. totals, but just in case, they work with funding
from Nebr. Env. Trust, Platte River Recovery Impl. Program, LB701, Central Platte NRD, and USFWS